

CENTRAL INTELLIGENCE AGENCY

INFORMATION FROM

FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT

CD NO.

COUNTRY North Korea

SUBJECT Political; Economic

HOW
PUBLISHED Monthly periodical

WHERE
PUBLISHED Seoul

DATE
PUBLISHED 1 Nov 1949

LANGUAGE Korean

DATE OF INFORMATION 1949

DATE DIST. 3 Jan 1950

NO. OF PAGES

SUPPLEMENT TO
REPORT NO. 42

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF ESPIONAGE ACT 50 U. S. C. 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE Ibuk T'ongsin.

NORTH KOREA BUSINESS REGISTRATION REGULATIONS

On 12 November 1948, the North Korean puppet regime announced business registration regulations under Cabinet Decision No 67. These regulations, in essence, call for a heavier tax on all private business, including peddlers. The purpose behind this move was to eliminate every private business, regardless of size. Those unemployed as a result would be incorporated into the ranks of labor. The regulations are given below:

Article I

Individuals desiring to enter businesses in the following categories (including joint enterprises with state-managed business and private individual business) shall register with the respective people's committee in each locality:

Class A -- mining, fishing industry, forest products, dairy, steel industry, manufacturing, warehouses, insurance, theatrical production, motion picture production, and recreational centers.

Class B -- contracting, repairing (automobiles, ships, and machinery), transportation, publishing and printing, consignment, and artistic work (including sculpture, et. .).

Class C -- retail, restaurant business, hotel business, broker, commercial agent, business loans, barbershop and beauty salon, photographer's studio, public bathhouse, and drugstore.

Class D -- handicraft work (without hired worker), repairing (shoes and other small repair jobs), peddling, and all other businesses not listed in any of the above classifications (including seal carving, notary public, etc.).

Article II

The managements of the following enterprises must obtain their business permits from the appropriate government authorities in advance of registration:

1. Breweries and noodle manufacturers (must obtain business permits from the Ministry of Commerce).

- 1 -

CLASSIFICATION

RESTRICTED

RESTRICTED

[illegible]

RESTRICTED

STAT

RESTRICTED

2. Marine products, grain production, and forest products (permits from the Ministry of Agriculture).
3. Drug manufacturing (permits from any authorized person).
4. Seal carving (permits from the Ministry of Internal Affairs).
5. Other enterprises shall obtain their business permits from the Ministry of Internal Affairs (all persons connected with any business or business organization must obtain necessary permits).

Article III

In registering a business enterprise, the kind of business, name of enterprise, name of manager and foreman, location of office and factory, and kinds of production must be given in detail.

Article IV

The registration is good for one year. Every business establishment must reregister once a year before the date of expiration.

Article V

All registrations must comply with the following rules:

1. Form No 1 must be used in making the registration application. It shall be submitted to the appropriate local people's committees.
2. For a new business, the application must be submitted 15 days in advance of the opening date of the business.
3. When renewing the registration, an application must be submitted not later than 15 December each year.

Article VI

The city or country people's committee, upon receiving a registration application, must investigate the matter and issue the necessary registration certificate within 15 days on Form No 3.

Article VII

If any change occurs in the data after the registration has been in force, the change must be reported to the appropriate people's committee within 10 days.

Article VIII

With the exception of state-managed businesses, all applications for registration must bear the specified value of revenue stamps; however, cooperative enterprises shall be allowed to use stamps valued at one half those required of nonstate businesses. Stamp rates are as follows: Class A business, 2,000 won; Class B business, 1,000 won; Class C business, 500 won; and Class D business, 200 won.

Article IX

All registrations shall be kept in the respective people's committee headquarters for public inspection. Peddlers must keep registration papers in their possession at all times.

- 2 -

RESTRICTED

RESTRICTED

~~RESTRICTED~~ RESTRICTED STAT

RESTRICTED

Article X

Those registered must comply with the following regulations:

1. Special attention must be given to sanitary conditions in all working places to protect the health of the workers, particularly in restaurants, hotels, barbershops, public bathhouses, etc.
2. Every business establishment must help to maintain public peace and order.
3. An appropriate policy must be maintained to insure workers' employment.
4. Every business establishment, large or small, must keep an adequate bookkeeping system.

Article XI

Finance officers of every business establishment shall, under the direction of the manager, receive and inspect the books and documents pertaining to the business operation.

Article XII

Any individual who fails to register in accordance with the business registration regulations shall be subject to fines as follows:

1. Violations by state-managed business or cooperative stores shall entail a fine of 400 won.
2. Private business, upon conviction of the violation, shall be subject to a fine of five times the amount of the revenue stamps.

Article XIII

Concealment of facts or the violation of Article X, (4) is punishable by a fine the amount of the revenue stamps.

Article XIV

Violations of Article X, 1-3, are punishable according to the regulations.

BY-LAWS

1. These regulations shall become effective on 20 November 1948.
2. Those who are engaged in business enterprises at present must complete their 1949 registration by not later than 31 December 1948.
3. North Korea People's Committee Decision No 2 (registration regulations concerning commerce, industry, and other business enterprises, contained in the third registration tax table, item 7) is rescinded.

- 3 -

RESTRICTED

RESTRICTED

RESTRICTED

STAT

RESTRICTED

4. The following decisions are hereby rescinded: North Korea Temporary People's Committee Decision No 52 on industrial permits; North Korea People's Committee Decision No 128, item 13, on manufacturing permit regulations (promulgated by the Ministry of Commerce); Decision No 128, item 5 (promulgated by the Ministry of Finance); Decision No 128, item 27, on retail stores, regulations on public health, regulations on restaurant business, and regulations on public bathhouses.

12 December 1948
North Korea Cabinet
Premier, Kim Il Sung
Finance Minister, Choi Chang-ik

- E N D -

- 4 -

RESTRICTED

RESTRICTED